

## Monthly Market Commentary - February 2026

Global equities continued to advance in February, posting a strong 3.4% gain. This robust performance was supported by a resilient macroeconomic backdrop and better-than-expected corporate earnings. Fixed income markets also delivered positive results, with the global aggregate bond index rising 1.4%, primarily driven by softening inflation and renewed rate-cut optimism.

In the US, large caps returned a subdued 1.3%. Technology large caps fell 1.3% as investors grew increasingly anxious over the potential for AI disruptions and exorbitant infrastructure costs. Market volatility temporarily spiked following President Trump's emergency tariff threats before the Supreme Court struck them down.

Conversely, Japanese equities were the standout performers across all regions, surging 10.8%. Optimism surrounding Prime Minister Takaichi's snap election and her anticipated large-scale fiscal stimulus package spurred immense investor confidence, pushing the market higher.

UK large caps delivered a robust 7.0% return, benefiting from domestic business activity growing at its fastest pace in nearly two years. European equities excluding the UK gained 4.9%, recovering sharply after US tariff threats linked to Greenland were suspended following a framework agreement at Davos.

Emerging markets climbed 7.7%, heavily fuelled by the US dollar falling to a four year low. This broad strength overshadowed a 2.2% decline in China, where entrenched property sector woes and tepid consumer demand persisted.

Commodities returned 4.5%. Brent crude oil surged 7.3% following the capture of Venezuela's President, stoking supply fears. Sustained safe-haven demand amidst policy uncertainty pushed gold 4.3% higher. Meanwhile, silver suffered an 11.0% reversal due to heavy profit-taking.